## REMARKS/ARGUMENTS

The Office Action of May 18, 2006, has been reviewed, and in view of the foregoing amendments and following remarks, reconsideration and allowance of all of the claims pending in the application are respectfully requested. Claims 1-6, 8-14, 21, 26, 28-32 and 35-38 have been amended and claims 7 and 22 are canceled. Claims 1-6, 8-21 and 23-44 remain pending. No new matter has been added.

### Power of Attorney

This patent application was accorded Rule 1.47(b) status on September 3, 2002. Per this Decision, the instant application is recognized as being filed by J.P. Morgan Chase Co. as the party in interest. A revocation and appointment of new power of attorney was filed February 24, 2006 and accepted in the Notice of Acceptance of Power of Attorney mailed March 28, 2006.

### Claim Rejections under 35 U.S.C. § 112

Claims 1-6, 8-21 and 23-44 are currently rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. Specifically, the Office Action alleges that it is "unclear to the examiner how 'calculating the liquidity requirement' is accomplished." Applicants submit that the claims as amended overcome the rejections under 35 U.S.C. § 112, first paragraph. In addition, original claims 15-20 and 39-44 do not contain this claim limitation. Accordingly, it is believed that this rejection should not apply to original claims 15-20 and 39-44.

The claimed subject matter is fully disclosed and supported by the specification as originally filed. More specifically, an embodiment of the claimed invention is described in at

least Figures 7, 8, and 9 and the corresponding description thereof. The claims have been amended to clarify various embodiments of the present invention. It is believed that the amendments and newly added claims clearly define an embodiment of the claimed invention that is fully supported by the specification as originally filed.

Claim Rejections under 35 U.S.C. § 103(a)

Claims 1-6, 8-21 and 23-44 are currently rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over U.S. Patent No. 6,073,104 to Field ("Field") in view of "The Measure of Liquidity," Journal of Accounting Research, vol. 20, no. 2, part I to Emery *et al* ("Emery").

Field appears to be directed to a system for invoice record management and asset-backed commercial paper management. The Field system is a management system for generating accounting detail (Field, Abstract). However, the management system of Field fails to determine a reduced liquidity level with an assurance that the reduced level can reliably satisfy any liquidity needs where the reduced liquidity funding level is a percentage of and is less than the full liquidity requirement of the issuers, see paragraph [0046]. None of this information is considered in Field to determine the reduced liquidity level, as recited by the claimed inventions.

Emery appears to provide a general disclosure directed to liquidity measurement for credit evaluations and empirical research in accounting. The purpose of the Emery reference is to provide liquidity measures that are not subject to limitations (page 290). Emery provides no teaching related to any determination of a reduced liquidity as recited by the claimed inventions.

The Office Action admits the major deficiencies of Field. More specifically, the Office Action admits that Field does not disclose using the collected data to "calculate liquidity." *See*

page 3, Office Action mailed May 18, 2006. However, the Office Action fails to further acknowledge that Field does not disclose "estimating a ***reduced*** liquidity level ... that is ***less than*** the full liquidity commitment," as recited by the claims.

In addition, the applied references further fail to address at least the claim limitations directed to: "determining a rating for each of the plurality of assets guaranteeing the financial instrument for a predetermined period of time wherein the rating provides an indication of creditworthiness of an issuer of each asset;" "determining a rating transition probability for each of the plurality of assets for the predetermined period of time based at least in part on statistics indicating a likelihood of a rating transition based on historical data;" "determining whether a draw event occurred for a time period prior to the predetermined time period;" "determining a probability of a continuing draw event over the predetermined time period, if the draw event is determined;" "determining a probability of a new draw event for a time period after the predetermined time period, if no draw event is determined;" "wherein the steps of determining a rating, determining a rating transition probability, determining whether a draw event occurred, determining a probability of a continuing draw event and determining a probability of a new draw event are performed for a plurality of predetermined time periods to perform a simulation to predict one or more liquidity funding needs associated with the plurality of assets;" and "estimating a reduced liquidity level for the financial instrument that is less than the full liquidity commitment for the financial instrument wherein the reduced liquidity level satisfies the one or more liquidity funding needs as determined by the simulation."

Based on these disclosures, the Office Action summarily concludes that it would have been obvious to combine the disclosures of Field and Emery "to calculate liquidity for commercial paper (conduits)" *See* page 3, Office Action mailed May 18, 2006. The Office

Action further alleges that "[i]t is clear that any financial services organization would be motivated to calculate liquidity for commercial paper to decrease the risk of their investments and allow them to potentially minimize the guarantee or collateral necessary." *Id.* The Office Action has failed to provide a proper statement of motivation for combining these two disparate references and has improperly ignored claim limitations. Further, the alleged statement of motivation is based on improper hindsight. More specifically, the Office Action has failed to identify where in Emery such a teaching for decreasing the risk of investments is provided and how that this alleged teaching would even apply in Field's management system that generates accounting detail.

The Office Action has failed to set forth a *prima facie* case of obviousness for the independent claims. Specifically, when a primary reference is missing elements, the law of obviousness requires that the Office set forth some motivation why one of ordinary skill in the art would have been motivated to modify the primary reference in the exact manner proposed. *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664 (Fed. Cir. 2000). In other words, there must be some recognition that the primary reference has a problem and that the proposed modification will solve that exact problem. All of this motivation must come from the teachings of the prior art to avoid impermissible hindsight looking back at the time of the invention.

In the present case, the Office Action's justification for combining Field and Emery has absolutely nothing to do with the deficiencies of Field. As admitted by the Office Action, Field fails to show at least calculating liquidity and further "calculating a liquidity requirement .. that is ***less than*** the full liquidity requirement for the commitments." To properly modify Field to correct for these major deficiencies, the Office Action has the burden to show some motivation why providing those elements would have overcome some perceived problem with Field, which

is directed to invoice record management. Any such motivation is completely lacking. Even if the combination of Field and Emery could be modified as suggested by the Office Action, the resulting combination would nevertheless fail to show each and every limitation claimed by Applicants.

The mere fact that Field and Emery can be somehow combined and modified does not render the resultant modification obvious unless there is a suggestion or motivation found somewhere in the prior art regarding the desirability of the combination or modification. *See* M.P.E.P § 2143.01; *see also In re Mills*, 16 U.S.P.Q.2d 1430, 1432 (Fed. Cir. 1990); *In re Fritz*, 23 U.S.P.Q.2d 1780 ( Fed. Cir. 1992). In addition, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in Applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

As the remaining dependent claims encompass the limitations of independent claims, these claims should be allowed for at least the reasons stated above.

## CONCLUSION

In view of the foregoing amendments and arguments, it is respectfully submitted that this application is now in condition for allowance. If the Examiner believes that prosecution and allowance of the application will be expedited through an interview, whether personal or telephonic, the Examiner is invited to telephone the undersigned with any suggestions leading to the favorable disposition of the application.

It is believed that no fees are due for filing this Response. However, the Director is hereby authorized to treat any current or future reply, requiring a petition for an extension of time for its timely submission as incorporating a petition for extension of time for the appropriate length of time. Applicants also authorize the Director to charge all required fees, fees under 37 C.F.R. §1.17, or all required extension of time fees, to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

HUNTON & WILLIAMS LLP

By: ____________________
Yisun Song
Registration No 44,487 for
Stephen T. Schreiner
Registration No. 43,097

Dated: August 18, 2006

Hunton & Williams LLP
Intellectual Property Department
1900 K Street, N.W.
Suite 1200
Washington, DC 20006-1109
(202) 955-1500 (telephone)
(202) 778-2201 (facsimile)